

MONTANA LEGISLATIVE HISTORY

Chapter 181 1983

Bill H _____ S 285 Original bill & history ☒ C

H. Committee on State Admin.

S. Committee on Business & Industry

Hearing Date(s) 3-1 _____ C

Hearing Date(s) 2-2 _____ C

3-2 _____ C

_____ C

_____ C

_____ C

_____ C

_____ C

Date Out 3-2 _____ C

Out 2-2

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

TRANSMITTED TO HOUSE: 3/4/83
REFERRED TO COMMITTEE ON TAXATION: 03/07/83
HEARING: 3/17/83
REPORT: 03/23/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/24/83, BE NOT CONCURRED IN AYES: 45; NAYS: 37
BILL KILLED

SB 284 -- BOB BROWN, ECK, REGAN, ET AL. -- TO PROVIDE FOR THE INCLUSION OF CANDIDATE
INFORMATION IN THE VOTER INFORMATION PAMPHLET
BY REQUEST OF: THE SECRETARY OF STATE

INTRODUCED: 01/25/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 01/25/83
HEARING: 01/31/83
REPORT: 02/08/83, DO PASS, AS AMENDED
ON MOTION, 2/10/83, SEGREGATED.
2ND READING: 02/11/83 AYES: 21; NAYS: 24, FAILED.
2ND READING: 2/11/83 BE INDEFINITELY POSTPONED AYES: 36; NAYS: 7
BILL KILLED

SB 285 -- CHRISTIAENS, FABREGA, FULLER, ET AL. -- ALLOWING THE SPOUSE OF A RETIRED
PUBLIC EMPLOYEE TO REMAIN A MEMBER OF A GROUP INSURANCE PLAN OR TO CONVERT A GROUP
INSURANCE POLICY

INTRODUCED: 01/25/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 01/25/83
HEARING: 2/2/83
REPORT: 02/03/83, DO PASS, AS AMENDED
2ND READING: 02/07/83 AYES: 50; NAYS: 0
3RD READING: 02/09/83 AYES: 49; NAYS: 0

TRANSMITTED TO HOUSE: 2/9/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 02/10/83
HEARING: 3/1/83
REPORT: 03/03/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/05/83, BE CONCURRED IN AYES: 83; NAYS: 4
3RD READING: 03/07/83, BE CONCURRED IN AYES: 94; NAYS: 3

RETURNED TO SENATE WITH AMENDMENTS: 3/8/83
2ND READING: 03/09/83 AYES: 50; NAYS: 0
3RD READING: 03/10/83 AYES: 46; NAYS: 0

TRANSMITTED TO GOVERNOR: 03/18/83
SIGNED: 3/23/83, CHAPTER 181

SB 286 -- E. SMITH, KOLSTAD, LEE, ET AL. -- TO SUBMIT TO THE QUALIFIED ELECTORS OF
MONTANA AN AMENDMENT TO ARTICLE V, SECTION 14, OF THE MONTANA CONSTITUTION TO PROVIDE
THAT THE LEGISLATURE RATHER THAN A FIVE-MEMBER APPOINTED COMMISSION REAPPORTION
MONTANA'S CONGRESSIONAL AND LEGISLATIVE DISTRICTS.

INTRODUCED: 01/25/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 01/25/83
HEARING: 01/31/83
REPORT: 02/07/83, DO PASS, AS AMENDED
2ND READING: 02/10/83 AYES: 30; NAYS: 19
3RD READING: 02/12/83 AYES: 28; NAYS: 20

SENATE BILL NO. 285

INTRODUCED BY CHRISTIAENS, FABREGA, FULLER, HALLIGAN,
R. MANNING, STIMATZ, LEE, GOODOVER, NILSON, FARRIS,
BACHINI, NISBET, DRISCOLL

IN THE SENATE

January 25, 1983	Introduced and referred to Committee on Business and Industry.
February 3, 1983	Committee recommend bill do pass as amended. Report adopted.
February 4, 1983	Bill printed and placed on members' desks.
February 7, 1983	Second reading, do pass as amended.
February 8, 1983	Correctly engrossed.
February 9, 1983	Third reading, passed, Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

February 10, 1983	Introduced and referred to Committee on State Administration.
March 3, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 5, 1983	Second reading, concurred in.
March 7, 1983	Third reading, concurred in.

IN THE SENATE

March 8, 1983	Returned to Senate with amendments.
---------------	-------------------------------------

March 9, 1983

Second reading,
amendments concurred in.

March 10, 1983

Third reading, amendments
concurred in. Ayes, 46;
Noes, 0.

Sent to enrolling.

Reported correctly
enrolled.

1 *Senate* BILL NO. *285*
 2 INTRODUCED BY *Richard E. Manning* *Stuart Lee* *Barbara Nelson* *Foris*
 3 *Nichols* *Quayle*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SPOUSE OF *Bachman*
 5 A RETIRED PUBLIC EMPLOYEE TO REMAIN A MEMBER OF A GROUP
 6 INSURANCE PLAN OR TO CONVERT A GROUP INSURANCE POLICY;
 7 AMENDING SECTION 2-18-704, MCA."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 2-18-704, MCA, is amended to read:
 11 "2-18-704. Mandatory provisions. (1) An insurance
 12 contract or plan issued after June 30, 1977, under this part
 13 must contain provisions that permit:
 14 (a) the member of a group who retires from active
 15 service under the appropriate retirement provisions provided
 16 by law to remain a member of the group until he becomes
 17 eligible for medicare under the federal Health Insurance for
 18 the Aged Act, 42 U.S.C. 1395, as amended, unless he is a
 19 participant in another group plan with substantially the
 20 same or greater benefits at an equivalent cost or unless he
 21 is employed and, by virtue of that employment, is eligible
 22 to participate in another group plan with substantially the
 23 same or greater benefits at an equivalent cost;
 24 (b) the surviving spouse of a member to remain a
 25 member of the group as long as the spouse is eligible for

1 retirement benefits accrued by the deceased member as
 2 provided by law unless the spouse is eligible for medicare
 3 under the federal Health Insurance for the Aged Act or
 4 unless the spouse has or is eligible for equivalent
 5 insurance coverage as provided in subsection (1)(a);
 6 (c) the surviving children of a member to remain
 7 members of the group as long as they are eligible for
 8 retirement benefits accrued by the deceased member as
 9 provided by law unless they have equivalent coverage as
 10 provided in subsection (1)(a) or are eligible for insurance
 11 coverage by virtue of the employment of a surviving parent
 12 or legal guardian.
 13 ~~(2) An insurance contract or plan issued after~~
 14 ~~September 30, 1983, under this part must contain the~~
 15 ~~provisions of subsection (1) and also must permit:~~
 16 ~~(a) the spouse of a retired member the same rights as~~
 17 ~~a surviving spouse under subsection (1)(b); and~~
 18 ~~(b) the spouse of a retiring member to convert a group~~
 19 ~~policy as provided in 33-22-508.~~
 20 ~~(2)(3)~~ A person electing to remain a member of the
 21 group under ~~subsecton~~ subsections (1) and (2) must pay the
 22 full premium for his coverage and for that of his covered
 23 dependents."

-End-

COMMITTEE ON BUSINESS AND INDUSTRY

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
SB 151	1-14-83	1-21-83	1-21-83	1-21-83					
SB 156	1-14-83	1-24-83	1-24-83	1-24-83					
SB 174	1-17-83	1-28-83	1-28-83			1-28-83			
SB 184	1-18-83	2-2-83	2-2-83			2-2-83			
SB 206	1-19-83	2-9-83	2-9-83			2-9-83			
SB 207	1-19-83	2-9-83	2-9-83			2-9-83			
SB 221	1-19-83	2-7-83 2-9-83	2-9-83			2-9-83			
SB 223	1-19-83	2-16-83 2-18-83	2-18-83			2-18-83			
SB 228	1-19-83			T A B L E D					
SB 229	1-20-83	2-2-83 2-9-83	2-9-83		2-9-83				
SB 249	1-21-83	1-28-83 1-31-83	1-31-83		1-31-83				
SB 250	1-21-83	2-11-83	2-11-83	2-11-83					
SB 251	1-21-83	2-11-83 2-15-83	2-15-83	2-15-83					
SB 261	1-22-83	2-4-83 2-10-83	2-10-83	S E N T T O		J U D I C I A R Y			
SB 285	1-25-83	2-2-83	2-2-83			2-2-83			
SB 292	1-26-83	2-4-83	2-4-83	2-4-83					

Use a separate sheet for Senate, House Bills, and Resolutions.

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 2, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on February 2, 1983, at 10:00 a.m., in Room 404, State Capitol.

ROLL CALL: All members were present with the exception of Senator Boylan who was excused.

CONSIDERATION OF HOUSE BILL 132: Representative J. Melvin Williams, sponsor of this bill, stated this bill was recommended by the Revenue Oversight Committee. He pointed out the amended parts in the bill. The bill addresses a late fee for failure to pay the annual license fee for a liquor license on time. Even though the problem has existed for sometime, the Department has tried to resolve this. At the present time 60 licensees have not paid their license fee even though it was due June 30th. Even with the best efforts delinquencies have continued through December. The need for a late fee is clear. More than 1,000 licensees pay before June each year, but a penalty should be implemented for those who fail to pay their fees.

PROPOSERS TO HOUSE BILL 132: Ellen Feaver, Department of Revenue, stated this is a bill that was proposed for administrative efficiency purposes. Most licensees pay their license fees on time. The penalty for failure to pay on time should commensurate with the amount of license fee renewal. If the fee is not paid on time, 1/3 of the fee will be charged and it escalates to 100% over time. The investigators in their Department deal with liquor matters and fraud. In total they only have a five person equivalent dealing with liquor matters. They make sure that everything is being complied with. When we found out that it was taking an inordinate amount of time for the collectors to collect the annual fee she wanted to eliminate this cost of collecting by imposing a fee for late collection.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Senator Fuller asked what range of fees are you talking about? Ms. Feaver stated renewal fees range from \$200 to \$800 for all-beverage licenses.

Senator Lee asked whether the penalties should be a little higher such as 2/3 to 3/3rds. We could come up with a stiffer penalty. Ms. Feaver stated that would be about what they would charge for failure to pay then we could go to a stricter action and eventually they could be shut down. She thinks these penalties will bring it down to a small number of late payments.

Senator Severson stated the bill reads "any kinds of licenses". Ms. Feaver stated this section is in the codes.

In closing, Representative Williams stated he thinks this is a good piece of legislation. It will help the Department of Revenue considerably and he feels that for people in the business it will create a

the control of the local law enforcement and the approval of the Department of Health there should be no problems. He hoped the Committee could support this piece of legislation.

CONSIDERATION OF SENATE BILL 285: Senator Chris Christiaens, sponsor of this bill handed out proposed amendments to the Committee stating he changed the effective date from September 30, 1983, to June 30, 1983. Most of the plans will be renegotiated at that time. Also on page 2, line 15, following No. 1, he inserted the word "except". The bill that he is introducing is an act allowing the spouse of a retired public employee to remain a member of a group insurance plan or to convert a group insurance policy. He has been asked by several county employees to present this legislation. Currently and since 1977 it has been possible for insurance contracts or plans to be converted. However, it has not answered the plight of all the employees. This would answer that plight. With rising medical costs medicare does not cover all costs any longer. The purpose would be to allow the spouse or employee to remain a member of the group policy. The spouse perhaps does not qualify for additional insurance and they felt with this bill they would be allowed to continue with no additional cost. They could pay the cost themselves.

PROPOSERS TO SENATE BILL 285: Norma Seiffert, Chief Deputy Insurance Commissioner, stated they have seen this as a great problem among the older people and the ones who become eligible for Medicare. They supported this bill.

Celinda Lake, Women's Lobbyist, stated she also supported the bill.

There were no further proponents and no opponents.

ACTION ON SENATE BILL 285: Senator Christiaens made the motion that the proposed amendments to Senate Bill 285 Be Adopted. Senator Goodover seconded the motion.

The Committee voted unanimously, by voice vote, that the proposed amendments to SENATE BILL 285 BE ADOPTED.

Senator Goodover made the motion that Senate Bill 285, As Amended Do Pass. Senator Fuller seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE BILL 285 AS AMENDED DO PASS.

CONSIDERATION OF SENATE BILL 184: Senator Joseph Mazurek stated he is the sponsor of this bill. This bill is an update of the State Securities Act. The purpose is to modernize the act and to make some grammatical changes. It would give the Department the ability to grant exemptions from registration based on their determination that it would still protect the investors. It is critical for small businesses in Montana. It grants broader rulemaking authority to the Department and makes it more flexible to better operate the Department.

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983

DATE 2-2-83

NAME	PRESENT	ABSENT	EXCUSED
PAUL F. BOYLAN			✓
B. F. CHRIS CHRISTIAENS	✓		
HAROLD L. DOVER	✓		
DAVID FULLER	✓		
DELWYN GAGE	✓		
PAT M. GOODOVER	✓		
GARY P. LEE, VICE CHAIRMAN	✓		
PAT REGAN	✓		
PAT M. SEVERSON	✓		
ALLEN C. KOLSTAD, CHAIRMAN	✓		

Proposed Amendments to SB 285

1. Page 2, line 14.

Following: line 13

Strike: "September"

Insert: "June"

2. Page 2, line 15.

Following: "(1)"

Insert: ", except that the provisions relating to eligibility
for medicare in subsections (1)(a) and (1)(b) may not be
included,"

DATE _____

COMMITTEE ON BUSINESS & INDUSTRY

BUSINESS & INDUSTRY

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Cornely, Stereable	Mont. Home Economics Assoc			
Phil Stroppe	Mont Taren Ass	HB 132 HB 154	✓	✓
Kay Miller	self			
Marie Senke	Mont Taren Assoc			
Eng. Dransick	Mont Taren Association			
Gen Meredith	DOR	HB 132	✓	
Robert W. Wents Jr	SELF	S 184	✓	
R.G. Tucker	State Auditor-Seminarians	S 184	✓	
Bruce A. MacKenzie	D.A. Davidson Co	S 184	✓	
Doug Sanders	MONTANA SECURITIES DEPT	S-184	✓	
Darryl Meyer	Cascade County	SB 285	✓	

STANDING COMMITTEE REPORT

February 2

1983

MR. **PRESIDENT**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **SENATE** Bill No. **285**

Respectfully report as follows: That **SENATE** Bill No. **285**
be amended as follows:

1. Page 2, line 14.

Strike: "September"

Insert: "June"

2. Page 2, line 15.

Following: "(1)"

Insert: ", except that the provisions relating to eligibility
for medicare in subsections (1)(a) and (1)(b) may not be
included,"

And, as so amended,

DO PASS

12

HOUSE STATE ADMINISTRATION COMMITTEE

48th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 258	Campaign contributions, increasing threshold value to be reported by name and address	2/10/83	Thomas	3/2/83	BE CONCURRED IN AS AMENDED	3/3/83
SB 267	Changing the name of the Inst. at Warm Springs and Galen to the Montana State Hospital; eliminating juvenile reception & evaluation center; clarify	3/1	Etchart	3/18	BE CONCURRED IN	3/18
SB 268	Disability, death and pension benefits under volunteer firefighters' act, consolidating	2/9	Manning	3/1	DO PASS	3/1
SB 285	Allowing the spouse of a retired public employee to remain a member of a group insurance plan or to convert a group insurance policy	2/10	Christiaens	3/1	AS AMENDED BE CONCURRED IN	3/2
SB 286	Constitution, amendment; for legislatively appointed reapportionment commission	2/12	Smith	3/2	3/2 hold for info. AS AMENDED BE CONCURRED IN	3/23
SB 301	Increasing the amount of money a disabled teacher may earn without receiving a reduction in his pension under the Teachers' Retirement System	3/1	Hammond	3/10	BE CONCURRED IN	3/10

SENATE BILL NO. 285

INTRODUCED BY CHRISTIAENS, FABREGA, FULLER, HALLIGAN,
R. MANNING, STIMATZ, LEE, GODDOVER, NILSON, FARRIS,
BACHINI, NISBET, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SPOUSE OF
A RETIRED PUBLIC EMPLOYEE TO REMAIN A MEMBER OF A GROUP
INSURANCE PLAN OR TO CONVERT A GROUP INSURANCE POLICY;
AMENDING SECTION 2-18-704, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-704, MCA, is amended to read:

"2-18-704. Mandatory provisions. (1) An insurance
contract or plan issued after June 30, 1977, under this part
must contain provisions that permit:

(a) the member of a group who retires from active
service under the appropriate retirement provisions provided
by law to remain a member of the group until he becomes
eligible for medicare under the federal Health Insurance for
the Aged Act, 42 U.S.C. 1395, as amended, unless he is a
participant in another group plan with substantially the
same or greater benefits at an equivalent cost or unless he
is employed and, by virtue of that employment, is eligible
to participate in another group plan with substantially the
same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a
member of the group as long as the spouse is eligible for
retirement benefits accrued by the deceased member as
provided by law unless the spouse is eligible for medicare
under the federal Health Insurance for the Aged Act or
unless the spouse has or is eligible for equivalent
insurance coverage as provided in subsection (1)(a);

(c) the surviving children of a member to remain
members of the group as long as they are eligible for
retirement benefits accrued by the deceased member as
provided by law unless they have equivalent coverage as
provided in subsection (1)(a) or are eligible for insurance
coverage by virtue of the employment of a surviving parent
or legal guardian.

~~(2) An insurance contract or plan issued after
September JUNE 30, 1983, under this part must contain the
provisions of subsection (1) EXCEPT THAT THE PROVISIONS
RELATING TO ELIGIBILITY FOR MEDICARE IN SUBSECTIONS (1)(a)
AND (1)(b) MAY NOT BE INEFFECTIVE and also must permit:~~

~~(a) the spouse of a retired member the same rights as
a surviving spouse under subsection (1)(d); and~~

~~(b) the spouse of a retiring member to convert a group
policy as provided in 33-22-508.~~

(2)(3) A person electing to remain a member of the
group under subsection subsections (1) and (2) must pay the

14

- 1 full premium for his coverage and for that of his covered
- 2 dependents."

-End-

15

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
March 1, 1983

CHAIRMAN JOE BRAND called the meeting to order at 8 a.m., Room 129 of the Capitol, Helena, Montana.

Roll call was taken, and all members were present.

SENATE BILL 268

SENATOR RICHARD MANNING introduced Larry Nachtsheim, Administrator of PERD, who explained that the purpose of the bill is to transfer the total responsibility for the administration of the Volunteer Firefighters' Compensation Act for unincorporated areas to the Public Employees' Retirement Division. (testimony attached).

DAVE FISHER, lobbyist for the Montana Volunteer Firemen's Association spoke in support of the bill.

CLEM DUAIME, President of the Montana Volunteer Firemen's Association also spoke in favor of the proposed bill.

THERE WERE ADDITIONAL PROPONENTS AND NO OPPONENTS WHO TESTIFIED ON SENATE BILL 268. SENATOR MANNING MADE A CLOSING STATEMENT.

THERE WERE NO QUESTIONS FROM THE MEMBERS OF THE COMMITTEE.

Representative Bardanouve will carry the bill on the House floor.

SENATE BILL 285

SENATOR B.F. "CHRIS" CHRISTIAENS explained the purpose of the bill. It would allow the spouse of a retired employee to remain on the group insurance plan for public employees. He further explained that currently, if a public employee is retired and goes on Medicaid or Medicare and their spouse is not yet 65 but has a health condition, it is impossible for them to get into any other insurance company. This bill would allow them to convert their policy and have the medical coverage that they need. He further explained that there are some amendments to this bill.

DARRYL MEYER, Cascade County, spoke in favor of the bill.

CELINDA LAKE, Women's Lobbyist Fund gave written testimony in support of the bill. "We strongly support Senate Bill 285 which primarily affects women. Without such legislation female spouses of public employees frequently find themselves in limbo vis-a-vis insurance. They find themselves eligible for only more expensive and more limited plans than they were in, if they are eligible at all. We urge your support of this bill which would promote equity in insurance."

THERE WERE NO ADDITIONAL PROPONENTS AND NO OPPONENTS TO SENATE BILL 285. SENATOR CHRISTIAENS MADE A CLOSING STATEMENT.

Senator Christiaens indicated that passage of this bill would aid a great many people needing this type of insurance assistance.

COMMITTEE QUESTIONS

REPRESENTATIVE BILL HAND inquired whether this would ultimately mean that it may cost more for premiums. Senator Christiaens explained that the person purchasing the policy would be picking up the premiums; therefore, it would not cost any more money.

REPRESENTATIVE FRANCIS BARDANOUE stated that it would appear to him that this bill would have substantial impact on the carrier. Wouldn't this have an adverse impact and wouldn't this raise the premiums for all people under the plan? Senator Christiaens replied that they have talked to insurance people who have indicated "no" this would not have any adverse effect.

Representative Bardanoue questioned whether or not the older person insured would be a higher risk person to carry, thus making the cost higher.

CHAIRMAN JOE BRAND stated that Medicare picks up all but twenty percent and would supplement the higher costs that might occur. He also mentioned that the firefighters have this kind of a program, and he questioned whether Senator Christiaens had checked into their program to see if there had been any increase in the premium costs relative to this similar program. Senator Christiaens stated that they had not checked into that.

REPRESENTATIVE KATHLEEN MCBRIDE asked if she understood correctly, that the spouse pays the premium for their coverage. Senator Christiaens replied that this was correct.

REPRESENTATIVE BILL HAND ask about the supplemental policy that Chairman Brand had mentioned. It was explained that Medicare picks up all but twenty percent of the cost for the medical services and that the other carrier insurance picks up the remaining portion. Therefore, the insurance company does not have to pick up the full cost that you could have if you were a younger insured policy holder.

Representative Bardanoue explained that there would be one exception to this case, if a person had extremely high medical costs that exceeded Medicare benefit levels, then the insurance company would have more than 20% to pick up.

CHAIRMAN BRAND ask Senator Christiaens to look into the firefighters' policy and see what they did regarding Medicare and also find out what it has done to their fund.

17

THERE BEING NO FURTHER QUESTIONS FROM THE COMMITTEE CHAIRMAN BRAND CLOSED ON SENATE BILL 285. Representative Paul Pistoria will carry the bill on the House floor.

SENATOR McCALLUM was not available to present SENATE BILL 230 at the moment so Chairman Brand ask the committee to take action on the previous bills.

EXECUTIVE SESSION

SENATE BILL 268

REPRESENTATIVE HELEN O'CONNELL MOVED for this bill to BE CONCURRED IN and it was seconded by Representative Joe Hammond. The question being called, the motion carried with an unanimous voice vote.

Senate Bill 268 was reported out of committee BE CONCURRED IN.

SENATE BILL 285

REPRESENTATIVE CLYDE SMITH MOVED that the amendments to Senate Bill 285 be accepted and this was seconded by Representative Glenn Mueller. The question being called, the motion carried by unanimous voice vote.

REPRESENTATIVE JOE HAMMOND MOVED this bill AS AMENDED BE CONCURRED IN and it was seconded by Representative Bill Hand. The question being called, the motion carried by unanimous voice vote.

Discussion followed regarding removal of the passed House bills from the committee members notebooks. It was decided that they should be removed and placed in cardboard binders for those members who wish to keep them.

Chairman Brand declared Executive Session concluded when Senator McCallum returned to introduce Senate Bill 230.

SENATE BILL 230

SENATOR GEORGE McCALLUM explained the purpose of the bill. It would be to straighten out some problems with the Montana Recall Act. This began after some problems occurred in Missoula County on a recall petition filed there. The original bill was amended in the Senate. Originally whenever there was a recall vote every 1 out of 5 names had to be verified. Now every signature must be verified.

FERN HART, Clerk and Recorder from Missoula County, spoke strongly in favor of this bill. (testimony attached).

VISITOR'S REGISTER

HOUSE Administration COMMITTEE

BILL SB285

DATE 3-1-83

SPONSOR Christiaens et al

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name Celestia Lake Committee On St Admin
Address _____ Date _____
Representing Women's Lobbyist Fund Support X
Bill No. SB 285 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. We strongly support SB285 which primarily affects women. Without such legislation
2. female spouses of public employees frequently find themselves in limbo vis a vis insurance. They find themselves eligible for only more expensive and more limited
3. plans than they were in, if they are eligible at all. We urge your support of
4. this bill which would promote equity in insurance.

Thank you.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

AMEND SENATE BILL 285 AS FOLLOWS:

1. Page 2, line 17.

Following: "provisions"

Insert: "for remaining a member of the group"

2. Page 2, line 21.

Following: "(1) (b);"

Strike: "and"

3. Page 2, line 23.

Following: "33-22-508"

Strike: "."

Insert: "; and"

4. Page 2.

Following: line 23

Insert: "(c) continued membership in the group by anyone eligible
under the provisions of this section notwithstanding the
person's eligibility for medicare under the federal Health
Insurance for the Aged Act."

HOUSE OF REPRESENTATIVES
STATE ADMINISTRATION COMMITTEE
SENATE BILL 285
MARCH 1, 1983

1. Title, line 9.

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

2. Page 2, line 17.

Following: "(1)"

Insert: "for remaining a member of the group"

3. Page 2, line 21.

Strike: "and"

4. Page 2, line 23.

Following: "33-22-508"

Insert: "; and (c) continued membership in the group by anyone eligible under the provisions of this section notwithstanding the person's eligibility for medicare under the federal Health Insurance for the Aged Act"

5. Page 3.

Following: line 2

Insert: "NEW SECTION. Section 2. Effective date. This act is effective June 30, 1983."

22

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
March 2, 1983

CHAIRMAN JOE BRAND called the meeting to order at 8 a.m. in Room 129 of the Capitol, Helena, Montana.

Roll Call was taken and all members were present.

Chairman Brand introduced the new secretary to the committee.

He also mentioned that the committee had been invited to a Department of Agriculture breakfast to be held at 6:45 a.m. on March 8, 1983, and therefore the committee would not meet until 9 a.m. on that day.

The committee members were reminded that the House bill binders that they had requested were ready for them to dispose of at their convenience.

SENATE BILL 286

SENATOR ED SMITH introduced the bill noting this was short bill and it was on the ballot to let the voters of the state decide if they want a five-member appointed commission to continue to reapportion the state or if they want a 12-member legislative committee to do so. He said that he introduced the bill for two reasons. The first reason is because the present system isn't working, and the other reason is because of the suit that Senator Dave Manning has filed against the state. This suit states that it is the legislators' responsibility to reapportion the state of Montana. He briefly went through the bill and covered the highlights of it. It appears that other states are having trouble with their apportionment as well. He stated that reapportionment is not an easy job and that this bill may not be the answer; but if this committee did not think that it was going to work, they should take a hard look at it and not make any quick decisions. It appears that the fifth member needs to be a bipartisan member. He commented on the dissatisfaction in the way that the state was reapportioned last time.

He indicated that the bipartisan member would not eliminate the problem entirely but there were some court cases that arose when the state was reapportioned last time. He felt that these problems will be around for some time anyway. This bill is a bipartisan bill that passed the Senate 20-30.

He then read portions of the bill to the committee and explained the 12-member committee concept. It would be a 12-member legislative committee with six of the members from the western U.S. Congressional District and six members from the eastern U.S. Congressional District. The legislature would make the final decision.

Chairman Brand ask Lois Menzies to look into this bill and find out as much as she could regarding the impact the increase might have and the percentage of contributions that would not be included with this new bill.

SENATE BILL 286

Chairman Brand reminded the committee that Senator Smith had ask that this bill be held in committee until more information could be obtained on the Dave Manning law suit. He asked if this was the committee's wishes as well. This was agreeable with the committee.

SENATE BILL 285

Chairman Brand ask Ron Sundsted, Chief of the State Employee Benefit Bureau, to talk to the committee regarding some questions that had arose on this bill.

Rod Sundsted explained that he administers the state group insurance plan. He mentioned that they already include all of the provisions in this bill in the state insurance plan. But he further explained there are some costs involved in doing this. Maybe local governments would experience the same things that the state has. As it is right now, retirees and their spouses represent about six and one-half percent of the total group and about eight or nine percent of the premiums in the state plan. For each dollar the state takes in from our retirees and their dependents, the state pays out in claims and administrative fees about \$1.55. In other words, the state loses on our retiree plan about \$450,000 a year. For the employees, on each dollar that the state takes in, they pay out 92 cents and they use that other 8 cents to subsidize the retirees' and their dependents' costs. He explained that this bill does not effect state employees; it covers school districts, local governments, employers and all other groups.

Chairman Brand asked if there is a slight cost factor involved in operating this plan. Rod Sundsted replied, "Yes, there is a cost factor, but we are looking at ways to mitigate that. We have only allowed retirees to be in this program since 1979, and we think that it is a good plan."

Chairman Brand asked, "When you first implemented this in 1979, what cost effect did you have?" Rod Sundsted explained that this changes every year. It would be difficult to break out the cost exactly based on the impact of this bill, but it would probably be less than ten percent of the total amount.

Representative Sales mentioned that the title refers to public employees, but the bill doesn't mention it.

Representative McBride stated that she thought that it was confusing because it is not mentioned in the body of the bill.

REPRESENTATIVE WALTER SALES MOVED to reconsider the action taken by the committee the previous day and this was seconded by Representative Chester Solberg.

Representative Sales explained that he felt that this is opening it up to cities, school districts, counties, etc., and obviously this option is available to them now through their contract negotiations. However, if we pass this bill we will be saying that they have to make this available to these people. They will not have the choice that they have as it stands now. He felt that this should be left up to them to decide.

Representative Driscoll referred to the bill and the 31 days, explaining that they can't wait until they get sick before they can take out this insurance. He stated that this would just make it fair. Why should a person have to die before he is eligible for insurance? He didn't feel that this would be causing anyone any great cost.

Representative McCormick stated that he had to speak against Representative Sales motion.

The question being called, BE NOT CONCURRED IN as MOVED by Representative Sales failed.

Senate Bill 285 was reported out of committee AS AMENDED BE CONCURRED IN.

SENATE BILL 230

Chairman Brand ask Lois Menzies to read to the committee what she had prepared on amendments to this bill.

Lois Menzies explained the proposed amendment to committee. The first and third amendments would eliminate the right for the registered voter to challenge the verification of a signature on a petition. These amendments were made at the suggestion of Bill Romine. He thought that was an oversight on the Senate's part. The second amendment on that page is grammatical. Amendments 4, 5 and 6 address Representative Sales' concern about combining the two sentences that appear in subsection (4) of section 2.

Representative Bill Hand MOVED to accept the amendments as read and this was seconded by Representative Francis Koehnke.

Representative Jerry Driscoll ask Lois Menzies if amendment 2 required each signature to be verified.

25

STANDING COMMITTEE REPORT

1 of 2

March 2 19 83

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **285**

blue

third reading copy (**blue**)
color

"AN ACT ALLOWING THE SPOUSE OF A RETIRED PUBLIC EMPLOYEE TO
REMAIN A MEMBER OF A GROUP INSURANCE PLAN OR TO CONVERT A GROUP
INSURANCE POLICY; AMENDING SECTION 2-18-704, MCA."

Respectfully report as follows: That **SENATE** Bill No. **285**

1. Title, line 9.

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

2. Page 2, line 17.

Following: "(1)"

Insert: "for remaining a member of the group"

3. Page 2, line 21.

Strike: "and"

4. Page 2, line 23.

Following: "33-22-503"

Insert: "; and (c) continued membership in the group by anyone
eligible under the provisions of the section notwithstanding the
person's eligibility for medicare under the federal Health Insurance
for the Aged Act"

continued

CONTINUED

STATE PUB. CO.
Helena, Mont.

Rep. Joe Brand,

Chairman.

COMMITTEE SECRETARY

24

March 2, 1983

3. Page 3.

Following: line 2

Insert: "NEW SECTION. Section 2. Effective date. This act is
effective June 30, 1983."

AND AS AMENDED BE CONCURRED IN

SENATE BILL NO. 285

INTRODUCED BY CHRISTIAENS, FABREGA, FULLER, HALLIGAN,

R. MANNING, STIMATZ, LEE, GOODOVER, NILSON, FARRIS,

BACHINI, NISBET, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SPOUSE OF
A RETIRED PUBLIC EMPLOYEE TO REMAIN A MEMBER OF A GROUP
INSURANCE PLAN OR TO CONVERT A GROUP INSURANCE POLICY;
AMENDING SECTION 2-18-704, MCA; ~~AND PROVIDING AN EFFECTIVE
DATE.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-704, MCA, is amended to read:

"2-18-704. Mandatory provisions. (1) An insurance
contract or plan issued after June 30, 1977, under this part
must contain provisions that permit:

(a) the member of a group who retires from active
service under the appropriate retirement provisions provided
by law to remain a member of the group until he becomes
eligible for medicare under the federal Health Insurance for
the Aged Act, 42 U.S.C. 1395, as amended, unless he is a
participant in another group plan with substantially the
same or greater benefits at an equivalent cost or unless he
is employed and, by virtue of that employment, is eligible
to participate in another group plan with substantially the

same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a
member of the group as long as the spouse is eligible for
retirement benefits accrued by the deceased member as
provided by law unless the spouse is eligible for medicare
under the federal Health Insurance for the Aged Act or
unless the spouse has or is eligible for equivalent
insurance coverage as provided in subsection (1)(a);

(c) the surviving children of a member to remain
members of the group as long as they are eligible for
retirement benefits accrued by the deceased member as
provided by law unless they have equivalent coverage as
provided in subsection (1)(a) or are eligible for insurance
coverage by virtue of the employment of a surviving parent
or legal guardian.

~~(2) An insurance contract or plan issued after
September JUNE 30, 1983, under this part must contain the
provisions of subsection (1) FOR REMAINING A MEMBER OF THE
GROUP. EXCEPT THAT THE PROVISIONS RELATING TO ELIGIBILITY
FOR MEDICARE IN SUBSECTIONS (1)(a) AND (1)(b) MAY NOT BE
INCLUDED, and also must permit:~~

~~(a) the spouse of a retired member the same rights as
a surviving spouse under subsection (1)(b); and~~

~~(b) the spouse of a retiring member to convert a group
policy as provided in 33-22-508; AND~~

1 ~~(C) CONTINUED MEMBERSHIP IN THE GROUP BY ANYONE~~
2 ~~ELIGIBLE UNDER THE PROVISIONS OF THE SECTION NOTWITHSTANDING~~
3 ~~THE PERSON'S ELIGIBILITY FOR MEDICARE UNDER THE FEDERAL~~
4 ~~HEALTH INSURANCE FOR THE AGED ACT.~~

5 ~~(2)(3)~~ A person electing to remain a member of the
6 group under ~~subsection~~ ~~subsections~~ (1) and (2) must pay the
7 full premium for his coverage and for that of his covered
8 dependents."

9 ~~SECTION 2. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JUNE~~
10 ~~30, 1983.~~

-End-

29

SENATE BILL NO. 285

INTRODUCED BY CHRISTIAENS, FABREGA, FULLER, HALLIGAN,
R. MANNING, STIMATZ, LEE, GOODOVER, NILSON, FARRIS,
BACHINI, NISBET, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SPOUSE OF
A RETIRED PUBLIC EMPLOYEE TO REMAIN A MEMBER OF A GROUP
INSURANCE PLAN OR TO CONVERT A GROUP INSURANCE POLICY;
AMENDING SECTION 2-18-704, MCA; ~~AND PROVIDING AN EFFECTIVE~~
~~DATE."~~

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-704, MCA, is amended to read:

"2-18-704. Mandatory provisions. (1) An insurance
contract or plan issued after June 30, 1977, under this part
must contain provisions that permit:

(a) the member of a group who retires from active
service under the appropriate retirement provisions provided
by law to remain a member of the group until he becomes
eligible for medicare under the federal Health Insurance for
the Aged Act, 42 U.S.C. 1395, as amended, unless he is a
participant in another group plan with substantially the
same or greater benefits at an equivalent cost or unless he
is employed and, by virtue of that employment, is eligible
to participate in another group plan with substantially the

same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a
member of the group as long as the spouse is eligible for
retirement benefits accrued by the deceased member as
provided by law unless the spouse is eligible for medicare
under the federal Health Insurance for the Aged Act or
unless the spouse has or is eligible for equivalent
insurance coverage as provided in subsection (1)(a);

(c) the surviving children of a member to remain
members of the group as long as they are eligible for
retirement benefits accrued by the deceased member as
provided by law unless they have equivalent coverage as
provided in subsection (1)(a) or are eligible for insurance
coverage by virtue of the employment of a surviving parent
or legal guardian.

~~(2) An insurance contract or plan issued after~~
~~September JUNE 30, 1983, under this part must contain the~~
~~provisions of subsection (1) FOR REMAINING A MEMBER OF THE~~
~~GROUP, EXCEPT THAT THE PROVISIONS RELATING TO ELIGIBILITY~~
~~FOR MEDICARE IN SUBSECTIONS (1)(A) AND (1)(B) MAY NOT BE~~
~~INCLUDED and also must permit:~~

~~(a) the spouse of a retired member the same rights as~~
~~a surviving spouse under subsection (1)(b); and~~

~~(b) the spouse of a retiring member to convert a group~~
~~policy as provided in 33-22-508; AND~~

37

1 (C) CONTINUED MEMBERSHIP IN THE GROUP BY ANYONE
2 ELIGIBLE UNDER THE PROVISIONS OF the THIS section
3 notwithstanding the person's eligibility for medicare under
4 the federal Health Insurance for the Aged Act.

5 ~~(2)~~(3) A person electing to remain a member of the
6 group under ~~subsection~~ subsections (1) and (2) must pay the
7 full premium for his coverage and for that of his covered
8 dependents."

9 SECTION 2. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JUNE
10 30, 1983.

-End-